

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,
et al.,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

Re: ECF No. 19430

**STATUS REPORT OF THE PUERTO RICO FISCAL AGENCY AND FINANCIAL
ADVISORY AUTHORITY REGARDING THE GOVERNMENT OF PUERTO RICO'S
RECENT ACTIVITIES AND RESPONSE TO THE ONGOING COVID-19 PANDEMIC**

To the Honorable United States District Judge Laura Taylor Swain:

The Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF"), through its undersigned counsel, submits this status report on behalf of the Government of the Commonwealth of Puerto Rico (the "Government") in response to the Court's *Order Regarding Procedures for the December 15-16, 2021, Omnibus Hearing* [ECF No. 19430] and states as follows:

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566(LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), and (iv) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801).

PRELIMINARY STATEMENT²

The Government has continued focusing its efforts on safeguarding public health and services, while simultaneously continuing to address the economic distress caused by the COVID-19 pandemic, and stimulating economic activity, among other areas. As stated in the October Report, the Government (via the Department of Health (“DOH”)) took measures to curb the spread of the virus and the Delta variant and has continued to encourage the vaccination—including the COVID-19 vaccine booster shots—of all eligible individuals, which now include minors between the ages of 5 and 11, for whom the Government has already commenced vaccination initiatives³. As a result, Puerto Rico has continued seeing a reduction of COVID-19 cases since October. As of today, daily confirmed cases averaged 60 and the positivity rate was approximately 2.44%, less than the 3.15% stated in the October Report⁴, with 868,606 total molecular and antigen COVID-19 tests having been administered since October 5, 2021. At this juncture, Puerto Rico continues among the top jurisdictions in the world⁵ in vaccinations among its population; in fact, as of last week, over 5.1 million COVID-19 vaccines have been administered and over 78.3% of all eligible residents in Puerto Rico have been fully vaccinated, positioning Puerto Rico *as the U.S. jurisdiction with the highest rate of administrated vaccine doses*⁶.

Due to these and other factors, signs of significant improvement in Puerto Rico’s economy are palpable, most notably in the tourism sector, which is returning to—or even exceeding —the pre-

² Defined terms not otherwise defined herein shall have the same meaning given to them in *Status Report of the Puerto Rico Fiscal Agency and Financial Advisory Authority Regarding the Government of Puerto Rico’s Recent Activities and Response to the Ongoing Covid-19 Pandemic* (the “October Report”) [ECF No. 18399].

³ See, [Fortaleza Press Release dated November 5, 2021](#)

⁴ See, <https://covid19datos.salud.gov.pr/>.

⁵ See, [Covid-19 vaccine tracker \(ft.com\)](#).

⁶ See, [Fortaleza Press Release dated October 12, 2021](#).

COVID-19 era. In fact, the Puerto Rico Tourism Company estimates that the arrival of cruise ships from November 2021 through April 2022 will result in an increase of approximately \$16 million in revenues for the Commonwealth of Puerto Rico⁷ and airport traffic has revealed a slight increase when compared to 2019.

The Government also continues to disburse federal and local aid to residents, businesses, hospitals, and municipalities. Since the last status report, the Government has continued its measures to aid municipalities, rebuild schools and Government buildings, and provide funding for hospitals, restaurants and other industries while simultaneously implementing additional measures aimed to incentivize vaccination and achieve herd immunity. These endeavors have allowed the continued and gradual reopening of Puerto Rico's economy while helping to curb the spread of COVID-19. These and other key data are summarized in the reports available at the [COVID-19 Resource Center |AAFAF \(pr.gov\)](#) and the AAFAF Weekly Reporting Dashboard, dated December 10, 2021, and included as **Exhibit A**.

I. Executive and Administrative Orders to Address the Ongoing Crisis and the Recent Reduction in Positive Cases

1. As detailed in the August Report, during June and July there was an increase in COVID-19 cases, positivity rates, and hospitalizations in Puerto Rico as well as the rest of the United States as a result of, among other things, the Delta-variant. This increase—in the United States and Puerto Rico alike—was attributable, for the most part, to unvaccinated individuals. Therefore, the Government continues focusing its efforts on implementing its vaccination plan across the island to continue reducing the spread of the COVID-19 virus and achieve herd immunity, as detailed below.

⁷ See, [Puerto Rico Tourism Company Press Release dated November 4, 2021](#).

2. To continue the Government's endeavors detailed in the October Report, on November 15, 2021, Governor Pedro R. Pierluisi (the "Governor") issued Executive Order 2021-075 ("Executive Order 75"), with the purpose of, among other things, **(i)** grouping all current mandates and guidelines of the Center for Disease Control and Prevention (the "CDC") and all applicable provisions of prior executive orders; **(ii)** to order the vaccination of minors between 5 to 11 years of age⁸⁹; **(iii)** to make vaccination requirements of prior executive orders equally applicable to municipal employees and; **(iv)** in the area of education, to make vaccination requirements mandatory for **(a)** students (whether for private or public education institutions) over 12 years of age, subject to the same religious or medical exceptions as for other groups and **(b)** for all students between the ages of 5 and 11 as a requirement to receive in-person education, provided, however, that such group must be fully vaccinated on or before January 31, 2022.

3. Furthermore, to continue implementing the Government's measures to combat infections and achieve herd immunity, in accordance with Executive Order 75 and all prior applicable executive orders, on October 21, 2021, the Secretary of the DOH issued Administrative Order 2021-521, authorizing all duly registered and licensed doctors, nurses and medical technologists to administer antigen tests in any of the DOH's initiatives to detect COVID-19¹⁰. The DOH also issued Administrative Order 2021-521 on October 28, 2021, to extend the

⁸ See, [OE-2021-075, Section 1^a](#); see also, [Fortaleza Press Release dated November 15, 2021](#)

⁹ The Government notes that the closing of businesses from 12:00am to 5:00am implemented in Executive Order 65 was left without effect as of October 14, 2021, the lapsing date for such order. However, the provisions of Executive Orders 63, 64 and 65 regarding vaccinations, the maximum occupancy limits—both for indoor and outdoor premises—and the use of face masks were kept in full force and effect because such provisions were part of either other executive orders or administrative orders of the DOH. See, [Fortaleza Press Release dated October 12, 2021](#).

¹⁰ See, [OA2021-521](#).

authorization of administering and taking COVID-19 tests to maritime ports, and not only to airports, as previously limited by Administrative Order 2021-472¹¹.

4. Lastly, and due to the newly classified Omicron variant, on December 3, 2021, the DOH issued Administrative Order 2021-523 through which the Government now requires that any individual travelling into Puerto Rico from an international location—regardless of their vaccination status—must comply with all federal authority requirements for negative COVID-19 tests¹².

5. The Government also continues to work closely with experts from various sectors to monitor the spread of the virus to adopt or modify any necessary restriction that may be required on a timely basis.

II. Status of COVID-19 Vaccination Process, Infections and Hospital Capacity

6. As of today, the DOH has administered 5,127,079 doses of the COVID-19 vaccines and estimates that 78.6% (over 2.4 Million) of all eligible residents in Puerto Rico have been fully vaccinated and over 88% (over 2.7 Million) have received one dose¹³.

7. As stated in the October Report, the Government has continued promoting its several programs to reach and encourage eligible individuals to get vaccinated, among which the Government and the DOH continue holding multiple vaccination events throughout Puerto Rico, such as the “VacunarTe Paga” program, providing prizes for individuals who get vaccinated.¹⁴ These and other efforts continue to achieve results and Puerto Rico continues to be among the top jurisdictions in the world in vaccinations among its population¹⁵.

¹¹ See, [OA2021-522](#).

¹² See, [OA2021-523](#).

¹³ <https://covid19datos.salud.gov.pr>.

¹⁴ [VacunarTE Paga Centros | Vacunacion \(protegetevacunate.com\)](#).

¹⁵ [Covid-19 vaccine tracker \(ft.com\)](#).

8. As detailed in previous reports, the DOH maintains a “dashboard” to provide daily updates on COVID-19 related statistics¹⁶. As of today:

- Puerto Rico has 155,081 confirmed cases, 34,620 probable cases, and 3,276 reported deaths.
- At the moment, a total of 1,456 ventilators (adult and pediatric) are in stock and available to be used in Puerto Rico. 422 are in use, of which 3 are due to COVID-19. 115 of those in stock are pediatric ventilators and are currently available. 44 of the pediatric ventilators are in use, none of them due to COVID-19.
- 47 adult patients are hospitalized due to COVID-19, of whom 7 are in intensive care. 3 pediatric patients are hospitalized due to COVID-19, of whom 1 is in intensive care.
- 4,136 adult beds and 640 pediatric beds are currently in use out of a total 7,734 and 1,317 hospital beds, respectively. Out of the total detailed above, 427 of ICU beds and 39 pediatric ICU beds are currently in use out of a total 631 and 86, respectively.

III. Update on Funding Related to COVID-19 and Disaster Relief Funds

A. Federal Funding under the American Rescue Plan Act

9. As stated in the October Report, the Government continues implementing measures to distribute federal assistance available under the American Rescue Plan (“ARPA”) pursuant to its strategic plan. Puerto Rico’s municipalities may request and have available over \$1.5 billion distributed in two equal payments in 2021 and 2022 in funding to aid in the economic recovery and other areas relating to the COVID-19 pandemic¹⁷, for which, generally, municipalities must request and receive the funds from the U.S. Department of the Treasury.

10. Further, as discussed in the October Report, on July 6, 2021, the Government and AAFAF announced the process for municipalities categorized as Non-Entitlement Units (“NEUs”) to request funding through AAFAF under the Coronavirus Local Fiscal Recovery Fund under

¹⁶ <https://covid19datos.salud.gov.pr>.

¹⁷ [PR-AAFAF-Ann-Start-Eco-Stimulus-Req-Proc-Muni.pdf](#)

ARPA. As such, 51 NEUs Municipalities have received payments of over \$124 million assigned by Treasury to NEUs¹⁸. Moreover, on August 3, 2021, AAFAF announced the commencement of the fourth phase of the Coronavirus Relief Fund Municipal Transfer Program, through which the Governor authorized an additional \$22 million to municipalities to continue mitigating the impact of the COVID-19 pandemic¹⁹.

11. Moreover, the Governor has announced that, as of November 9, 2021, a program funded with \$150 million is now available for municipalities, to be distributed in three (3) equal disbursements of \$50 million, to be made in November 2021, August 2022 and August 2023²⁰ to fund, among other things, infrastructure maintenance, operational expenses, health services, security and education. This program also provides \$2 million in additional funding to the Association of Mayors and Federation of Mayors for compliance and audit training to municipalities.

12. To ensure compliance with applicable laws and regulations related to the use of these funds, AAFAF has been providing a series of training programs to over 100 municipal officers to assure compliance with federal requirements to gain access to the same. As of December 7, 2021, a total of \$28.3 million of these funds had been disbursed²¹.

13. In addition to the above, the Government notes that, since the October Report, the return to work economic development programs have completed its intended initial objectives and left over funds have been transferred to several Premium Payment programs that incentivizes

¹⁸ <https://www.aafaf.pr.gov/wp-content/uploads/PR-Municipalities-Receive-ARPA-Economic-Recovery-Fund.pdf>.

¹⁹ <https://www.aafaf.pr.gov/wp-content/uploads/CP-Gob-destina-22M-adicionales-municipios.pdf>.

²⁰ See, [Governor Official Press Communication, November 9, 2021](#).

²¹ See, [AAFAF Press Release, December 7, 2021](#).

essential workers in the public sector, private sector and health sector and that, on October 6, 2021, AAFAF announced that the Centro de Bellas Artes de Puerto Rico—one of the Island’s most important multi-use performance center located in the Santurce ward in San Juan—received a \$3 million disbursement²².

B. Federal Funding Under the Coronavirus Relief Fund

14. As of December 10, 2021, the Government has disbursed \$2,087,065,477 of the \$2,240,625,864 it has received under the CARES Act Coronavirus Relief Fund. AAFAF has published a report detailing the use of these funds and the disbursements made as of December 10, 2021, which is available at [COVID-19 Resource Center | AAFAF \(pr.gov\)](#). See also **Exhibit A**.

C. Update on Disbursements Under the Emergency Measure Support Package

15. With regard to the COVID-19 Emergency Measure Support Package detailed in the previous reports, as of December 10, 2021, the Government has disbursed \$524.3 million out of the \$787.7 million approved in the package. AAFAF has published a report detailing the use of these funds and the disbursements made as of December 10, 2021, which is available at [COVID-19 Resource Center | AAFAF \(pr.gov\)](#). See also **Exhibit A**.

D. Update on Disaster Relief Funds²³

16. The Government continues to coordinate relief and funding efforts to address the natural disasters that have affected Puerto Rico in recent years, including the continued recovery following Hurricanes Irma and María and the earthquakes that impacted (and continue to impact) the southern and southwestern part of Puerto Rico beginning early in 2020.

²² See, [AAFAF Press Release, October 6, 2021](#).

²³ The data and information provided herein has been obtained by AAFAF directly from COR3.

17. Further, the Government continues to disburse federal aid, and among the various disbursements made and developments since the last status report are the following:

- On October 14, 2021, the Governor and the executive director of COR3 announced a disbursement of approximately \$7.1 million for the first of a series of projects related to the reconstruction of the Puerto Rico Electric Power Authority (“PREPA”)²⁴;
- As of November 17, 2021, the Federal Emergency Management Agency (“FEMA”) has assigned over \$142 million to the Puerto Rico Department of Education to fund 115 projects for the reconstruction and repair of schools impacted by earthquakes in the southwestern and western regions of Puerto Rico²⁵.

18. As of December 6, 2021, the United States Congress has appropriated \$76,774,171,470 for Puerto Rico’s recovery efforts. Of this amount, approximately \$64,272,316,902 has been committed by federal agencies for distribution, and \$22,138,312,524—around 29% of the appropriated amounts—has been disbursed. Of the amounts obligated and disbursed, FEMA has approved \$36,112,573,693 and disbursed \$14,756,878,837—approximately 41%—of the total amounts detailed above. The Government’s use of these funds is detailed on the COR3 website and can be accessed at: <https://recovery.pr/en>. See also **Exhibit A**.

²⁴ See, [COR3 Press Release, October 14, 2021](#).

²⁵ See, [COR3 Press Release, November 17, 2021](#).

Dated: December 14, 2021
San Juan, Puerto Rico

Respectfully submitted,

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